TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER DEPARTMENT: PUBLIC WORKS

DATE: FEBRUARY 4, 2008 CMR:113:08

SUBJECT: ADOPTION OF A RESOLUTION RELATING TO THE AGREEMENT FOR MAINTENANCE OF STATE HIGHWAYS IN THE CITY AND APPROVAL OF A REIMBURSEMENT AGREEMENT IN AN AMOUNT NOT TO EXCEED $37,500 ANNUALLY WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION

RECOMMENDATION
Staff recommends that Council:

1. Adopt the attached resolution (Attachment A) approving the maintenance agreement with the State of California, acting by and through the Department of Transportation (the State), in an amount not to exceed $37,500 annually, for street cleaning and authorized traffic signal and street light maintenance of State highways in the City of Palo Alto; and

2. Authorize the City Manager or his designee to sign the Agreement for Maintenance of State Highways in the City of Palo Alto (Attachment B).

DISCUSSION
The current agreement with the State was executed in 1974 and amended in 1988 (CMR:189:88). The agreement provided for City staff to provide maintenance for a portion of State Highway 82 (El Camino Real) that lies within the City limits. The State, in return would reimburse the City up to $24,000 annually. No amendments have been issued since that time and maintenance costs have increased since 1988.

Under the updated proposed agreement, the City will provide street sweeping services on the portion of State Highway 82 (4.02 miles of El Camino Real) which lies within the City. The State will reimburse the City for street sweeping maintenance costs up to $34,000 annually. Also included in this agreement is a limited traffic signal and street light maintenance cost sharing arrangement between the City and the State, by which the State will share costs with the City on a pro rata basis and reimburse the City up to $3,500 annually. The Refuse and Electric Funds will cover the cost for the work to be performed, but the State will reimburse the City. The agreement would remain in effect until amended by the mutual consent of the parties or terminated by either party upon thirty (30) days notice to the other party.
**RESOURCE IMPACT**
Funds are available in the Refuse Fund and Electric Fund Operating budgets to cover maintenance costs for sweeping, and authorized traffic signal and street light maintenance. The reimbursement from the State will cover the cost for the work to be performed.

**POLICY IMPLICATIONS**
The recommendation does not represent changes to existing City policies.

**ENVIRONMENTAL REVIEW**
This project is categorically exempt from the California Environmental Quality Act (CEQA) under section 15301 of the CEQA Guidelines.

**ATTACHMENTS**
Attachment A: Resolution
Attachment B: Maintenance Agreement

PREPARED BY: _______________________________
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DEPARTMENT HEAD: _______________________________
GLENN S. ROBERTS
Director of Public Works

CITY MANAGER APPROVAL: _______________________________
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